Enterprise Transition Management

Organization Design Communication Plan

Table of Contents

1. Introduction

CalPERS is investigating a new organization structure to support PSR and position the organization to meet its future goals.

The ETM team is developing the new organization structure based on:

- Analysis of CalPERS current state, including employee demographics and the ETM Current State Assessment documentation

- Review of appropriate PSR documentation

- Input from CalPERS executives

- Consideration of external leading practices

- Consideration of CalPERS mission, vision and goals.

This document describes how to effectively communicate potential organization restructuring information to CalPERS stakeholders. This is a stand alone document.

Should a new organization design be introduced, some employees' roles and reporting relationships may change. Communication must take into account the sensitive nature of this information. A cascading approach to communication is necessary to ensure that executives and managers/supervisors understand and are prepared to support the changes, answer staff questions, and serve as ambassadors of change.

1.1. OD Communication Development Process

OD communication will be developed collaboratively by ETM and PAOF. This approach will enable CalPERS to leverage the strengths of both teams. The ETM team offers deep knowledge of CalPERS organization design guiding principles, processes, desired outcomes, and the key messages and concepts that must be conveyed to enable CalPERS staff to understand and embrace the changes that will take place. The Public Affairs Office offers deep knowledge of the CalPERS culture and values, knows which media channels are most effective for conveying information to each stakeholder audience, has significant experience writing communications that reflect the "voice" of CalPERS, and can provide guidance on how to effectively communicate sensitive messages that have personal implications to the CalPERS staff.

2. Communication Objectives

The ETM Project identified the following communication objectives for OD communication:

- Share information widely about goals and context for organization design

  o Presented with tools/talking points to support managers, and including general employee communications

- Tailor content to each phase of ETM project

  o Currently, focus on goals and context

  o Provide rationale and business objectives for organization design

  o Describe process and participants to date

  o Provide guiding principles as may be directed by the Board of Administration and executives

  o Describe future approach to be followed

  o Provide timeline for what and when to expect additional information

- Build employee awareness of and desire for the positive changes to the CalPERS work environment that PSR will bring about

  o Help employees envision – and feel excited about – their future with CalPERS

- Build employee understanding and acceptance of changes to the CalPERS organization structure that PSR will bring about

- Sustain an environment of open and honest communication

- Provide CalPERS employees with mechanisms for sharing their thoughts and views on topics related to PSR and the organization design.

  o Control the rumor mill – solicit questions and feedback from managers, supervisors and staff and proactively respond to "misinformation"

- Equip managers and supervisors with tools and information to help them anticipate and answer employee questions and concerns

- Sustain productivity and a strong focus on CalPERS business objectives during times of change

- Appropriately plan and ensure resources are available for desired communication activities

- Ensure that all ETM communications reflect the appropriate messages and tone

3. Communication Guiding Principles

The ETM Project identified the following communication guiding principles for all communication:

- **Involve people** - Request participation from the various groups within the CalPERS organization, so that stakeholders believe they have input into the process

- **Provide open and consistent communication** - Provide accurate, available information to keep the audience informed about changes

- **Communicate early and often (CalPERS enterprise)** - Deliver messages in a time-sensitive manner to prevent confusion or rumors and continue ongoing communication so that key messages are reinforced

- **Communicate early and often (ETM project)** - Elevate and escalate issues or concerns early so that there are no surprises, and do not be afraid to ask for help, input, reviews, and feedback

- **Provide interactive communication** - When possible, provide communication in a manner that highly engages the receiver. The method of distributing the communication can be as critical as the content of the communication

- **Manage expectations** - Manage the expectations of audiences by providing clear boundaries for ETM project scope, being clear on expectations for involvement, and establishing a timeline to follow up on a question or concern

- **Strengthen the role of the manager and supervisor** - Support manager and supervisor efforts in delivering key messages to their staff, so that communication is being provided to staff by leaders they trust.

4. Key Messages

4.1.   Messages for All Audiences

The ETM Project identified the following key messages for all CalPERS audiences:

- PSR makes CalPERS an even stronger organization and a better place to build a career.

- The PSR transformation offers great promise for CalPERS, offering employees the opportunity to develop valuable new skills and position themselves for future success.

- The new organization structure, if and when there is one, will provide a strong foundation upon which to build CalPERS future.

- New ways of serving members and employers ultimately means better customer service.

- No employee will lose their job or be disadvantaged because of PSR.

- Change is challenging in the short term but it can produce dramatic benefits in the long term.

4.2. Messages Specific to Organization Redesign

Key messages specifically pertaining to the organization redesign include the following:

- CalPERS is analyzing a new organization structure to support PSR and position the organization to meet its future goals. This proposed structure would enable us to achieve our vision to provide outstanding customer service – service that is integrated, accurate, efficient, and secure.

- In order to learn the future plans and goals for CalPERS, the ETM Team conducted interviews with all of the CalPERS executives. As a result of these interviews, an analysis of CalPERS current state, a review of appropriate PSR documentation, consideration of external leading practices, and consideration of CalPERS mission, vision and goals, the ETM Team developed four guiding principles for the organization redesign. The new organization structure is designed to provide:

  o Accurate, reliable, efficient, integrated service that customers find easy to use and of high value

  o A defined governance process for decisions and priorities

  o Balance and flexibility across process and function

  o Accountability, analytics, and performance management.

- As you consider the changes taking place within CalPERS, we encourage you to keep in mind the following:

  o CalPERS is committed to retaining our talent. No one will lose his or her job as a result of PSR.

  o The proposed new organization structure is designed to help CalPERS effectively implement PSR and position itself for future success.

  o This is an exciting time to be a part of CalPERS. PSR and our proposed new organization structure will help us work more effectively, efficiently, and collaboratively – enabling us to provide outstanding service to our customers and to continue to set the standard by which public pension systems are measured.

- CalPERS is committed to communicating openly and honestly about organizational changes. However, until our development process is validated and approved, it would be premature to share specific details about the proposed structure. We ask for your patience and understanding as the ETM team and executives work together to define the structures and processes that will define CalPERS future.

4.3. Messages by Audience

The ETM Project identified the key messages by audience in Table 4.3.1.

4.3.1. Table: Important Messages to be given by Groups in the Organization to employees

Groups	Messages
Board of Administration and Executives	- Studying the organization design is a project that requires openness and frank discussion so that it is in sync with the challenges and opportunities that the PSR Project will deliver. - We recognize that change of this size is never easy. We commit our leadership to ensuring that staff is fully informed about any professional opportunities for growth and development that could come as a result of this change.
Managers/ Supervisors	- During times of change, it is important for staff to have greater access to management than ever before. - CalPERS is committed to providing managers the information they need to serve as a resource to staff. Several opportunities to attend information sessions and to receive training will be available before staff are asked to attend training. - The best way to support staff during this period is by giving them the time they need to remain involved, informed, and engaged in the transformation.

Groups	Messages - Continued
PSR/ETM Coaches Network	• Openness and availability to the staff regarding the challenges and opportunities of the PSR transformation will help them more fully embrace and benefit from the changes. • In answering PSR/ETM questions, share knowledge and insights to promote a better understanding of PSR/ETM among staff. When answers are not yet known, let staff know that, assure them an answer will be forthcoming, then follow through by relaying the answer not only to PSR and ETM, but also to the other coaches.
ITSB Staff	• ITSB plays an important role in ensuring that PSR is maintained in the long run. • ITSB will own the ongoing operation of the system.
CalPERS Staff	• CalPERS call centers and regional offices represent an important interface with employers and members. Input and feedback from them will be valuable. • The performance of CalPERS call centers and regional offices will have a dramatic impact on employers' and members' perceptions of CalPERS and PSR.

5. Appendix A: Detailed OD Communication Plan

As of February 29, 2008

DRAFT Target Wk/Date	Audience(s)	Purpose / Objectives	Desired Outcome	Event / Vehicle	Messenger(s)
Identify the target date for this communication event	*List who are the receivers of the communication and specific target audiences*	*Main communication objectives*	*Desired outcome of communication and proposed activity*	*List the delivery vehicle for communicating the key messages*	*List owner/sender of the messages*
Feb 7, 2008 Completed	ETM Steering Committee	Review plans for communication	Agreement on draft timeline details and implications of communication actions for OD	Pre-read sent to SC and SC meeting discussion	ETM Project Manager
Feb 11-15 Completed	Human Resources Division	Information Sharing	Clear direction on "dos" and "don'ts" for communication	Meeting	ETM Team, PAOF, J. Hiber
Feb 22 Completed	Division Chiefs	Introduce Conceptual Org Design highlights and conceptual org structure (Deliverable 6.1) and plans for detailed Org Design (Deliverable 6.3)	Awareness, understanding of their involvement and timing, start of long engagement process between ETM and middle management	Division Chief Special 3 hour BOC meeting	CEO, selected AEOs, ETM Team
March 18, 2008	CalPERS Board of Administration	Introduce Conceptual Org Design highlights and conceptual org structure	Awareness, support, understanding and timing	Pre-read and meeting discussion	AEO and ETM Project Manager
Monthly	CalPERS Board of Administration	Provide ongoing updates on progression of the OD work	Awareness of OD activities and support	Status report	ETM Project Manager and AEO
Estimated April 1 - 14	Assistant Division Chiefs	Introduce Conceptual Org Design highlights and conceptual org structure (Deliverable 6.1) and plans for detailed analysis of Org Design	Awareness, understanding of their involvement and timing	Assistant Division Chief Special 3 hour meeting	Division Chief, AEO, ETM Team

DRAFT Target Wk/ Date	Audience(s)	Purpose / Objectives	Desired Outcome	Event / Vehicle	Messenger(s)
Estimated April 7 - 21	Managers, Supervisors	Introduce Conceptual Org Design highlights and plans for detailed analysis of org design	Awareness, preparation to communicate to staff	Manager Briefing	ETM Team
Estimated April 7 - 21	Labor Union	Introduce Conceptual Org Design principles, methodology, Guiding Principles and timeline for process	Awareness, understanding of their involvement and timing	Special union meeting	HR, ETM Project Manager
Estimated April 21– 30	CalPERS Staff	Introduce Org Design activities: -'Why an organization design?' (Link to PSR and CalPERS vision), explain - opportunities for employees and CalPERS, -link to PSR and ETM portal	Awareness, accurate info, reinforce open and trusting environment	Fred on First email	PAOF
April 2007 – May 2007	Executives	Validate work on detailed Org Design: -Division details -Scenario details -Governance concepts	Support for continuing detailed analysis	Pre-read sent and meeting discussion	ETM Team Project Manager
Monthly	ETM Steering Committee	Update on: -progress of detailed analysis -feedback from CalPERS staff on conceptual org structure -data from 'Impact & Readiness Assessments'	SC support for continuing detailed analysis	Pre-read sent to SC and SC meeting discussion	ETM Team, selected members of OD Validation Team

DRAFT Target Wk/Date	Audience(s)	Purpose / Objectives	Desired Outcome	Event / Vehicle	Messenger(s)
May 2007	Executives and Division Chiefs	Validate work on detailed Org Design: -fit analysis -draft governance model	Support for continuing detailed analysis	Pre-read sent and meeting discussion	ETM Team
June 2007	Executives	Review of final detailed Org design including transition organization chart(s)	Approval	Pre-read and meeting discussion	ETM Team
July 2007	CalPERS Board of Administration	Present detailed Org Design and plans to continue work	Awareness and support	Pre-read and meeting discussion	ETM Executive Sponsors, CEO
August 2007	Division Chiefs	Introduce Detailed Org Design and plans to complete work	Awareness, understanding of their involvement	Special BOC meeting	CEO, selected AEOs, ETM Team
August 2007	Labor Union	Introduce Detailed Org Design and plans to complete work	Awareness, understanding of their involvement and timing	Special union meeting	HR, selected Executives, ETM Team
August 2007	Assistant Division Chiefs	Introduce Detailed Org Design and plans to complete work	Awareness, understanding of their involvement	Special meeting	Division Chief, AEO, ETM Team
August 2007	Managers, Supervisors	Introduce Detailed Org Design and plans to complete work; FAQs talking points for use with staff	Awareness, understanding of their involvement, and preparation to communicate to staff	Special manager meeting	Division Chief, Assistant Division Chief, AEO, ETM Team
September 2008	CalPERS Staff	Introduce Detailed Org Design and plans to complete work	Awareness, understanding of their involvement and timing	All staff Forum	Division Chief, AEO, ETM and PAOF Team members

DRAFT Target Wk/Date	Audience(s)	Purpose / Objectives	Desired Outcome	Event / Vehicle	Messenger(s)
November - December 2008	CalPERS Staff	Update on progress of Org Design work	Awareness, understanding of their involvement and timing	Utilize planned ETM communication vehicle	TBD
December 2008 – January 2009	Executives	Final approval of Org Design and implementation plans	Approval of Implementation plan	Special meeting	ETM Team
February 2009	CalPERS Board of Administration	Present Org Design and implementation plans	Awareness and support	Pre-read and meeting discussion	ETM Executive Sponsors, CEO
March 2009	Division Chiefs	Share plans to implement organization changes	Awareness, understanding of their involvement, timelines, etc…	Special BOC meeting	ETM Team, CEO, selected AEOs
March 2009	Assistant Division Chiefs	Share plans to implement approved organization changes	Awareness, understanding of their involvement, timelines, etc…	Special meeting	Division Chief, AEO, ETM Team
April 2009	Managers, Supervisors	Share plans to implement approved organization changes	Awareness, understanding of their involvement, timelines, etc…	Special manager meeting	Division Chief, Assistant Division Chief, AEO, ETM Team
April 2009	CalPERS Staff	Share plans to implement approved organization changes	Awareness, understanding of their involvement and timing	Division staff meetings	Division Chief, AEO, ETM Team member
TBD	CalPERS Enterprise	Implement organization changes	Smooth transition to new organization	Multiple events (TBD)	CalPERS Executives and Senior Leadership, ETM Team